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C O N F I D E N T I A L SECTION 01 OF 02 MEXICO 000652

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SUBJECT: SLOW START TO WORK ON KEY REFORMS IN MEXICO'S
CONGRESS

Classified By: Political Minister Counselor Charles V. Barclay.
Reason: 1.4 (b), (d).

11. (C) Summary. Congress is off to a slow start on passing several key items of security legislation despite earlier assurances from congressional contacts that this session will be fruitful. Squabbling amongst the parties appears to have delayed the passage of narcomenudeo, asset forfeiture, and federal police reform. While congressional insiders are optimistic as to the passage of asset forfeiture, they are less sanguine about the prospects of the other pending legislation. Nevertheless, despite the slow start, there are still two months left in the congressional period to move on important bills, and if last December is an indicator, Congress may see a spate of activity right before the close of session that results in the passage of a number of important laws. Opposition parties seem unwilling to come to terms on Federal police reorganization, however, which may either be carried over to the next Congress or passed in a more watered down form in compromise with the PRI. End Summary.

Slow Start

12. (C) Despite assurances from congressional contacts that this session will be more fruitful than last sessions of the legislative period usually are, Congress is off to a slow start on passing several key items of security legislation. Congress pledged in the August 75 point pact to vote last session on bills dealing with narcomenudeo (small time drug trafficking), asset forfeiture (facilitating the seizure of ill-gotten gains from organized crime activities), and federal police reorganization (calling for the merger of the Attorney General Office's (PGR) Federal Investigative Agency (AFI) with the Public Security Secretary's (SSP) Federal Police (PFP). Congress was unable to vote on such measures before it closed for recess in December, in part due to time issues and partly because of political disagreements, but promised to pick them back up for consideration when Congress again convened in the middle of last month.

13. (C) Congressional contacts assured Poloff in early February that asset forfeiture and narcomenudeo, at the very least, would be approved within days after Congress opened, but squabbling amongst the parties appears to have delayed their passage. The Revolutionary Institutional Party (PRI) last week submitted last minute opposition to the asset forfeiture law -- which was at the point of leaving commission in the Senate after being primarily negotiated by

the President's National Action Party (PAN) and Revolutionary Democratic Party (PRD) Senator Tomas Torres -- and called for additional time to hold forums to discuss the proposal. Torres told Poloff on March 5 that the PRI was punishing the PAN for PAN leader German Martinez's recent volley of public criticisms against the PRI, accusing the party of being responsible for the country's security woes. Torres also claimed that Martinez's rhetorical attacks are a panicked attempt by the PAN to shore up its support and deflect blame for security and legislative problems onto other parties given its flagging poll numbers. The PAN has rejected PRI's call for additional discussion but probably will be unable unilaterally to move the bill through the Senate given both PRI and PRD support for such forums. Torres was guardedly optimistic that the law will pass sometime this session, and said that he hopes at least some of the criminal code procedure legislation -- follow-on measures to constitutional reforms made to the justice system last year -- may also be approved before Congress closes in April.

14. (C) Torres was less sanguine on the prospects for narcomenudeo and federal police reorganization. Echoing comments made by PRI Deputy Edmundo Ramirez to Poloff on March 2, he claimed the AFI-PFP merger is almost dead. PRI from the start -- apart from electoral concerns or politicking -- has continually expressed publicly and privately that it is concerned that combining the two forces puts too much power in the hands of the Public Security Secretary, particularly when the Secretary is a person "they cannot trust." The PRD has similar reservations, and Poloffs have heard from other contacts that some AFI elements already

MEXICO 00000652 002 OF 002

moved to SSP have, in fact, been moved back under PGR authority. President Calderon may secure some kind of federal police reform, but Torres did not expect to see a full reorganization passed this session. He was relatively pessimistic as to Congress' ability to come to terms on narcomenudeo legislation, either, as parties continue to disagree over the quantities of drugs that would be classified as "for consumption" or "for sale and distribution." More importantly, Torres noted that a number of state governments are concerned by the bill's proposal to transfer authorities from the federal government to states in investigating and prosecuting this kind of crime, and that the PRI is also unenthused by such a transition. The President and his PAN adherents have argued that such a reform is necessary in order to better combat small time drug trafficking and to more efficiently utilize resources in this fight.

15. (U) Rhetorical fireworks, particularly between the PRI and PAN, have not abated after last week's dispute initiated by German Martinez and seized by PRI leaders. PRI President of the Chamber of Deputies Cesar Duarte publicly insisted that the PRI is indeed working to ensure the approval of security and justice reforms and called on Martinez to leave politicking aside, to which Coordinator of the PAN's Chamber of Deputy bloc Hector Larios responded with similar accusations. PRI Chamber Coordinator Emilio Gamboa publicly echoed Torres' private comments by claiming that Martinez's accusations are looking to blame the PRI for security problems because of distress over the PAN's poor showing in recent polls.

Comment

16. (C) Pre-election disputes between the parties seem to have delayed progress on several key security reform items, but congressional insiders have assured Poloff that election posturing is not preventing real work from being done in both the Chamber and the Senate. Despite the slow start, Congress still has two months to move on important bills. If last December is an indicator, Congress may see a spate of activity right before the close of session that results in

the passage of a number of important laws. Opposition parties seem unwilling to come to terms on Federal police reorganization, however, which may either be carried over to be debated in the next Congress or passed in a more watered down form in compromise with the PRI. Visit Mexico City's Classified Web Site at <http://www.state.sgov.gov/p/wha/mexicocity> and the North American Partnership Blog at <http://www.intelink.gov/communities/state/nap> / BASSETT